


City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 16, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: ADOPTION OF CITY LEGISLATIVE PACKAGE FOR THE 2006 GENERAL ASSEMBLY SESSION

ISSUE: Adoption of City Legislative Package for the 2006 General Assembly Session.

RECOMMENDATION: That City Council adopt items 1.A through 1.H, 2.A through 2.T, and 3.A through 3.G as positions in the City's Legislative Package for the 2006 General Assembly Session. Note that items 2.S and 2.T have been added to the Package since it was originally proposed.

1.A. Use of Earmarked City Revenues for Operations (Charter Change)

Propose a Charter amendment that will allow Council to use a portion of the property tax revenues earmarked for open space for the maintenance and repair of open space which has been acquired with these funds.

1.B. Condominium Conversions—Sales to Non-profits

Allow any tenant in a condominium conversion who is disabled or elderly, and eligible for a 3-year lease or lease extension under current law and ordinance, the ability to assign the right to purchase his unit to a government agency, housing authority or nonprofit housing corporation for the purpose of leasing that unit back to the tenant and keeping the unit as affordable housing.

1.C. Psychiatric Bed Crisis in Northern Virginia (This position has been modified slightly since it was included in the proposed City Package, as the region's CSB Directors refined their costs estimates.)

Propose or support the following proposals developed by the Northern Virginia Community Services Boards to help deal with the psychiatric bed crisis in the region:

- Increase the daily rate paid to hospitals for Temporary Detention Order (TDO) beds by at least \$150, and provide funding for this increase.

- Amend the current (FY06) state budget by adding \$614,535 for the purchase of psychiatric beds, including TDO beds, in Northern Virginia.
- Include \$965,000 in ongoing funding (beginning in FY 2007) in the state budget to provide the community services needed to successfully discharge 25 patients who are on the Extraordinary Barriers to Discharge List at Northern Virginia Mental Health Institute (NVMHI); and fully fund the LIPOS (Local Inpatient Purchase of Service) program.

1.D. Payments to Foster Care Parents

Propose or support sufficient additional funding to increase to the national average the rates paid to foster parents (\$423 to \$497 monthly, depending on age).

1.E. Gadsby's Tavern Museum

Provide \$100,000 toward the cost of replacing the current HVAC system at Gadsby's Tavern Museum (the total cost is estimated to be \$645,000, the remainder of which will be covered by the City and a \$50,000 federal grant).

1.F. Fort Ward

Provide \$50,000 toward the cost of rebuilding Fort Ward's entrance gate; replacing existing gun carriages and gun platforms; and replacing deteriorated decorative trim on the Museum and Officers' Hut (the total cost is estimated to be \$100,000, the remainder of which will be covered by the City).

1.G. Tax Credit for Low-income Renters

Propose legislation that will provide a tax credit for renters with a household annual income of \$35,000 or less. Such relief could be refundable if it exceeds a person's state income tax liability.

1.H. Funding for the Rehabilitative Services Incentive Fund

Propose sufficient state funding for the Rehabilitative Services Incentive Fund (RSIF) to restore it to \$912,500 (the same level of funding as in FY 02) for each year of the upcoming biennium.

2. Requests for Legislation to Be Supported

2.A. Northern Virginia Healthforce Alliance Action Plan

Support the NoVaHealth Force initiatives that seek to address the growing shortage of health care workers in the region by expanding the region's health care education and training programs.

2.B. Pedestrian safety

Support pedestrian safety legislation that will either (1) require drivers to stop, not just yield, at any clearly marked crosswalk where the speed limit does not exceed 35 miles per hour; or (2) allow localities by ordinance to require vehicles to stop, not yield, at marked crosswalks in Northern Virginia which are specially signed and have enhanced penalties for failure to yield (a special Code provision already allows for these enhanced penalties).

2.C. Funding to Clean Up the Chesapeake Bay

Support continued state funding, and any reasonable long-term solution to help pay for the cleanup of the Chesapeake Bay.

2.D. Smoking in Restaurants

Support legislation, if introduced, to give any locality the authority to prohibit smoking in restaurants within its jurisdiction, or otherwise limit smoking in public.

2.E. Housing Discrimination Based on Source of Income

Support legislation that will make it illegal to discriminate in housing based on source of income (e.g., Section 8 vouchers).

2.F. Dedicated Revenue for the Washington Metropolitan Area Transit Authority

Support legislation to authorize an appropriate dedicated funding source for the Washington Metropolitan Area Transit Authority (WMATA).

2.G. Statewide Transportation Funding

Support any reasonable proposals by the General Assembly to increase statewide transportation funding.

2.H. Tax Credits and Other Incentives for the Use of Renewable and Alternative Energy

Support legislation that would give incentives to local governments and others in the State to use technologies that use less energy and reduce pollution (e.g., solar or other alternative energy, "green" roofs, etc.) when constructing new buildings or rehabilitating old ones.

2.I. Birmingham Green

Support a \$1.75 million appropriation toward the construction costs of new facilities at Birmingham Green, the adult care residence jointly owned by the City of Alexandria and the counties of Fairfax, Fauquier, Loudoun, and Prince William.

2.J. Design-Build Construction Management

Support legislation that will allow large localities to approve design/build contracts without getting approval from the State Design-Build/Construction Management Review Board.

2.K. Condominium Conversions—State Notification of Localities

Support legislation to require the state Real Estate Board to notify a locality as soon as it receives an application for a condominium conversion within the locality.

2.L. Increased State Funding for Certain Court System Employees

Support increased state pay for magistrates, district court employees, public defenders, and staff for probation offices.

2.M. Telecommunications Taxes

Support telecommunications tax reform legislation in 2006 if it will provide the same (or at least a proportional) level of revenue that the City has received from telecommunication taxes in FY 2005.

2.N. Community Action Agencies (Economic Opportunities Commission)

Support additional funding for the state's Community Action Agencies (CAA), so that they can continue existing services and expand their services to all localities in the Commonwealth.

2.O. Offender Reentry Services Coalition [formerly known as PAPIS]

Support additional funding so that Virginia Cares can expand coverage and provide additional services at existing program sites.

2.P. Issues Endorsed by the Alexandria Commission on Aging

Support the legislative platform of the Northern Virginia Aging Network (NVAN), which seeks additional state funding for home-delivered meals, transportation services for seniors, and intensive mental health services for older adults.

2.Q. Increase Virginia's Minimum Wage

Support legislation to increase the minimum wage in Virginia by \$1 in each of the next three years, and index it to inflation in years thereafter.

2.R. Restoration of Civil Rights for Felons

Support appropriate legislation for the restoration of civil rights for felons if it is introduced in 2006.

2.S. Lower VRS Contribution Rate Increase for Alexandria City Public Schools

Support a contribution rate lower than that recommended by the VRS Board, and shift any contributions necessary to fully fund future retirement benefits to the next biennium, when VRS is otherwise likely to propose lower rates. In addition, oppose any shifting of these costs from the state to localities.

2.T. Issues Endorsed by the Virginia Association of Community Services Boards

Support the legislative platform of the Virginia Association of Community Services Boards, which seeks additional state funding for services provided to people with mental illness and mental retardation.

3. Requests for Legislation to Be Opposed

3.A. Alexandria Jail Federal Prisoner Per Diems

Oppose any efforts to remove the City's exemption from the State's cost recovery requirements for federal jail per diem payments to localities.

3.B. Affordable Housing

Oppose any legislation that will prohibit the City from receiving voluntary developer contributions for affordable housing.

3.C. Restrictions on Services to Immigrants and Related Issues

Oppose legislation that would place additional restrictions on the ways local governments deal with illegal immigrants, or that would require local law enforcement officials to enforce federal immigration laws.

3.D. Living Wage

Oppose any legislation that would repeal the City's authority to adopt a living wage ordinance.

3.E. Virginia Housing Development Authority Loan Eligibility

Oppose any legislation that seeks to reinstate the earlier VHDA requirement that borrowers be related by blood, marriage, adoption, or legal custody.

3.F. Undocumented Students

Oppose any legislative proposals in the 2006 Session that would restrict access to higher education by undocumented aliens, unless it includes safeguards such as those proposed by Governor Warner for similar 2003 legislation.

3.G. Constitutional Amendment Restricting Marriage; Affirmation of Marriage Act

Oppose the proposed state constitutional amendment that would define marriage as only between a man and a woman, and support any efforts to repeal the Affirmation of Marriage Act.

DISCUSSION: On October 25, staff presented to Council the City's 2005 Legislative Package proposals. On November 12, Council held a public hearing on this Package. Since the Package was first presented, the following items, described below, have been added to the Package:

- a proposal to support efforts to reduce the proposed Virginia Retirement System rate for the Alexandria City Public Schools; and
- support for the legislative program of the Virginia Association of Community Services Boards.

Virginia Retirement System (VRS) Contribution Rate Increase for Alexandria City Public Schools (ACPS). VRS sets contribution rates (the percentage of payroll that member governments must pay to VRS) for its member governments, including school systems throughout the State, every other year. These rates are then submitted to the governor, who includes them (or alternative contribution rates) in his proposed biennial budget. The governor's proposal is then considered by the General Assembly, which can modify these rates before it passes its budget bill.

At its October meeting, the VRS Board set a contribution rate of 11.18 percent for retirement benefits (which increases to 13.38 percent if health and life insurance contributions are included) for public school systems, beginning July 1, 2006. The current contribution rate for public school systems for retirement alone is approximately 6.6 percent; when required contributions for retirees' health and life insurance are included, the contribution rate is 7.17 percent. If the VRS rate proposal (which raises the overall rate by 6.2 percent) is approved by the Governor and General Assembly, ACPS will need an additional \$5.8 million in the next fiscal year just for increased VRS contributions. The City recommends that the General Assembly look at all generally accepted actuarial calculation methodologies and set a contribution rate lower than that recommended by the VRS Board, to smooth out contributions necessary to fully fund future retirement benefits during the next and future biennia, when VRS is otherwise likely to propose lower rates.

A related issue that warrants attention is cost-shifting of VRS contributions by the State. When the current biennial budget was being developed in the 2004 Session, the House Appropriations Committee recommended freezing the State contribution rate for teachers (the State funds a portion of VRS for teachers, like it does for all other public education costs) at about 6 percent, and setting the locality contribution rate for teachers at a higher rate – whatever rate was needed to make up the difference. If this or any other cost-shifting methodology is proposed in the 2006 Session, the City will ask its delegation to strongly oppose it.

Legislative Program of the Virginia Association of Community Services Boards. Every year, the Virginia Association of Community Services Boards (VACSB) adopts a list of legislative priorities for the upcoming General Assembly Session. These priorities include programs that will improve the delivery of services to persons who are mentally ill, mentally retarded, or suffer from substance abuse.

At the public hearing on the City's proposed 2006 Legislative Package, Mary Riley, Chair of the Alexandria CSB, asked the City to support the VACSB priorities (attachment 1). This will allow Commission members to testify and work in support of the priorities during the General Assembly Session. Council has followed this process since 1997 for the Commission on Aging, allowing it to support the Northern Virginia Aging Network's platform.

This year VACSB asks that the General Assembly support the following priorities:

- Additional funding to provide the services and support needed to move people with mental illness and mental retardation out of institutions and back into the Community;
- Funding for additional early intervention services for infants and toddlers with disabilities, to help avoid more disabling conditions in the future;
- Funding for additional programs to prevent high-risk behaviors among children and youth that lead to substance abuse and addiction, crime, and dropping out of school;
- Additional funding for public guardianship programs;
- Replacement funds for Medicaid, should changes in federal law reduce Federal Medicaid funding for rehabilitative services or case management services;
- Legislation to allow two or more CSBs to provide services jointly; and
- Legislation to resolve the TDO (temporary detention order) crisis in Virginia (this is already addressed in item 1.C. of the City's proposed Legislative Package).

Staff recommends that the City support the VACSB priorities for the 2006 Session.

SUMMARY OF PROPOSALS: Attachment 2 consists of a chart summarizing all the proposals under consideration for the 2005 Legislative Package.

STAFF: Bernard Caton, Legislative Director

ATTACHMENTS:

Attachment 1 - Legislative Program of the Virginia Association of Community Services Boards

Attachment 2 - Summary Chart entitled "City of Alexandria 2006 Legislative Package Proposals"
(revised November 14, 2005)

**City Council Public Hearing on the FY06 Legislative Package – November 12, 2005
Docket Item #6**

Comments of Mary Riley, Chair, Alexandria Community Services Board

Mr. Mayor, Council members. I'm Mary Riley, Chair of the *Alexandria Community Services Board*, which oversees the Department of Mental Health, Mental Retardation, and Substance Abuse. I appreciate the opportunity to provide comments on the proposed City Legislative Package for the 2006 General Assembly Session.

Our Board thanks you for including in your legislative package support for proposed legislation to address the psychiatric bed crisis in Northern Virginia. All the CSBs in Northern Virginia are deeply concerned about the increasingly dangerous situation resulting from the lack of inpatient psychiatric treatment. The problem in Northern Virginia is exacerbated by our increasing population, the growing number of persons without health insurance, the closing of private hospitals, and a chronic under funding of community-based mental health services. While the solution to this problem will require a coordinated effort among public and private providers and the persons who use these services, we think the immediate legislative actions you have included in your proposed package can provide relief. We value your commitment to helping us solve this problem.

The lack of psychiatric beds is not the only problem facing our Board. As I noted last month at the Public Hearing on the 2007 Budget, at the CSB we have innumerable areas in which the need exceeds the current level of services provided. All forty CSBs face these needs. Every year, the Virginia Association of Community Services Boards (VACSB) adopts a list of legislative priorities for the upcoming General Assembly Session. These priorities address the most significant needs we face in attempting to deliver comprehensive services to persons who are mentally ill, mentally retarded, or suffer from substance abuse. We ask your additional support for the priorities in the VACSB list which include:

1. Creation of a MHMRSAS System Transformation Initiative, which will provide funding to move people with mental illness and mental retardation out of institutions and back into the Community.
2. Funding for additional early intervention services for infants and toddlers with disabilities, to help avoid more disabling conditions in the future;
3. Funding for additional programs to prevent high-risk behaviors among children and youth that lead to substance abuse and addiction, crime, and dropping out of school;
4. Additional funding for guardianship programs to serve consumers with mental retardation, mental illness, and substance abuse.

As you know, Medicaid is a major source of community support and health care for individuals with mental disabilities and those who abuse substances. We are growing increasingly concerned, however, over proposed Medicaid cuts at the Federal level. In addition to asking for Medicaid expansion, the VACSB is seeking replacement funds for Medicaid, should changes in Federal law reduce Federal Medicaid funding for rehabilitative services or case management services.

Our Board urges your support for the for the proposed City Legislative proposals and for VACSB legislative package (which I have attached to the copy of my comments). Your support will allow our Board members to testify and work in support of the priorities during the General Assembly Session.

Thank you.

Virginia Association of Community Services Boards

BUDGET AND LEGISLATIVE PRIORITIES 2006-08

Budget Priorities

Priority I

Creation of a MHMRSAS System Transformation Initiative:

- 2000 consumers with severe mental illness and co-occurring disorders participate in community living;
- 1260 more consumers with mental retardation have access to MR Waiver and Day Support slots;
- Rate increases for a stabilized provider network in place to support consumers with mental retardation;
- Twelve (12) systems of care projects (6 per year) to serve 1500 youth with severe and co-occurring disorders providing services that mean they will stay in their communities with their families;

Priority II

Part C/Early Intervention Services for Infants and Toddlers with Disabilities or Delays:

- 2231 MORE infants and toddlers with disabilities receive Early Intervention Services to eliminate and/or avoid more disabling conditions in the future;

Priority III

Fifteen (15) Programs to Prevent High-Risk Behavior among Children & Youth:

- 1500 youth avoid high risk behaviors that lead to addiction, crime, and school drop-out.

Priority IV

Guardianship:

- Establishment of 3 additional public guardianship programs to serve consumers with mental retardation, mental illness and substance use disorders and inclusion of additional, less restrictive guardianship models. (\$150,000 - ongoing)
- Coverage of medical and legal expenses related to obtaining a guardian for up to 60 consumers (\$120,000 - one time).

Priority V

Budget amendment to replace funds for Medicaid federal match should changes occur in the Federal Medicaid law that curtail or reduce Rehabilitative Services or Case Management services for consumers currently eligible for Medicaid.

Transformation Principles

- Consumer choice, recovery and independence integrated into flexible services based on best practices, new technologies and effective accountability/outcomes;
- Effective and efficient use of all resources to maintain public stewardship and public trust.
- Multiple stakeholders are involved in service design;
- Significant Investment must occur for the system to move forward with transformation.

Legislative Priorities

- Joint Agreement legislation, which permits CSB/BHAs to form agreements with other CSB/BHAs to implement and improve service delivery systems for consumers through shared responsibilities and a lead management administrator.
- Legislation to address and help resolve the TDO crisis in Virginia. Specific measures to be addressed by the VACSB Public Policy Committee through the VACSB/DMHMRSAS TDO Workgroup in conjunction with the Interagency Civil Admissions Advisory Council (ICAAC) and the Supreme Court workgroup.

Attachment 2

City of Alexandria 2006 Proposed Legislative Package Proposals

1. Requests for Legislation to Be Proposed

- 1.A. Use of Earmarked City Revenues for Operations
- 1.B. Use of Earmarked City Revenues for Operations Condominium Conversions–Sales to Non-profits
- 1.C. Psychiatric Bed Crisis in Northern Virginia (Regional Position)
- 1.D. Payments to Foster Care Parents
- 1.E. Gadsby's Tavern Museum
- 1.F. Fort Ward
- 1.G. Tax Credit for Low-income Renters
- 1.H. Funding for the Rehabilitative Services Incentive Fund

2. Requests for Legislation to Be Supported

- 2.A. Northern Virginia Healthforce Alliance Action Plan (Mayor Euille)
- 2.B. Pedestrian safety
- 2.C. Funding to Clean Up the Chesapeake Bay
- 2.D. Smoking in Restaurants
- 2.E. Housing Discrimination Based on Source of Income
- 2.F. Dedicated Revenue for WMATA (Washington Area Metropolitan Transit Authority)
- 2.G. Statewide Transportation Funding
- 2.H. Tax Credits and Other Incentives for the Use of Renewable and Alternative Energy
- 2.I. Birmingham Green
- 2.J. Design-Build

- 2K. Condominium Conversions–State Notification of Localities
- 2.L. Increased State Funding for Certain Court System Employees
- 2.M. Telecommunications Taxes
- 2.N. Community Action Agencies
- 2.O. Pre and Post-Incarceration Services (PAPIS)
- 2.P. Issues Endorsed by the Alexandria Commission on Aging
- 2.Q. Increase Virginia's Minimum Wage
- 2.R. Restoration of Civil Rights for Felons
- 2.S. Virginia Retirement System (VRS) Contribution Rate Increase for Alexandria City Public Schools (ACPS)
- 2.T. Issues Endorsed by the Virginia Association of Community Services Boards

3. Requests for Legislation to Be Opposed

- 3.A. Alexandria Jail Federal Prisoner Per Diems
- 3.B. Affordable Housing
- 3.C. Restrictions on Services to Immigrants and Related Issues
- 3.D. Living Wage
- 3.E. Virginia Housing Development Authority Loan Eligibility .
- 3.F. Undocumented Students
- 3.G. Constitutional Amendment Restricting Marriage; Affirmation of Marriage Act

24

15 1/16
11-22-05

----- Original Message -----

Subject: Alexandria Legislative Packet

From:

Date: Tue, 22 Nov 2005 11:54:57 -0500

From: Peggy Sand <psand@wahtf.org>

:

To: alexvamayor@aol.com

CC: Kerry Donley <kerry.donley@acps.k12.va.us>, Councilwoman Joyce Woodson <council@joycewoodson.net>, Peggy Sand <psand@wahtf.org>

November 22, 2005

◇ Mayor William D. Euille

City of Alexandria

106 East Nelson Avenue

Alexandria, VA 22301-2036

Dear Mayor Euille:

I am writing to ask that you include support for a \$500,000 earmark for the Washington Area Housing Trust Fund (WAHTF) in the City of Alexandria's legislative packet that is submitted for the Commonwealth's next biennial budget. All of the requested funding would go to low-interest loans to help preserve or create affordable homes in Northern Virginia. Not one penny would be used for administrative expenses.

WAHTF is a three year old regional loan fund started by the Metropolitan Washington Council of Government and was founded on the premise that the Washington metropolitan region needs a collective concerted way to address the shortage of housing for its workers. The housing shortage impacts businesses and this region by: making it difficult to attract and retain employees, forcing people to live on the fringes of the region where prices are more affordable leading to increased congestion on the roads and poor air quality, making it impossible for the teachers and firefighters that serve our communities to live in them, and forcing people who clean our offices and work in our stores to work two jobs and live in overcrowded housing.

Since its inception WAHTF has closed on nine loans helping to preserve or create 825 homes throughout the Washington metropolitan region. In Northern Virginia, WAHTF has made loans to the nonprofit developers of Island Walk (102 units), Woodbury North (108 units), and Gates of Clarendon (116 units). The attached information provides additional information about each of these loans. WAHTF has successfully leveraged seed federal support of nearly \$1 million with private sector support including a \$500,000 low-interest loan from Bank of America and \$300,000 line of credit from Virginia Commerce Bank. Smaller grants from Bank of America, Wachovia, Citibank and the Fannie Mae foundations have been used to grow WAHTF's dedicated loan loss reserve and lending capital. Operating

support from area local governments allow WAHTF to make loans at substantially below-market interest rates, currently 2 percent.

I have attached additional information about WAHTF's Northern Virginia loans, board members and a letter of support from Governors Warner and Ehrlich and Mayor Williams. Unless I hear from you to the contrary, I will forward this letter to your legislative liaison on Wednesday.

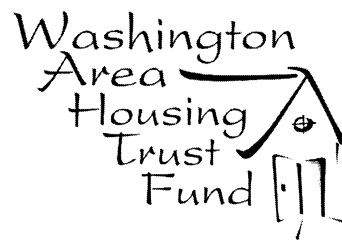
Hope you have a happy Thanksgiving. I would be happy to answer any questions you may have about this request. I can be reached at (301) 920-0443 or by emailing psand@wahtf.org.

Sincerely,

◇Peggy Sand



President boardlist.doc governor.pdf Virginia loan description.doc psand.vcf



Board of Directors

Officers

Carol Schwartz, Co-Chair
Councilmember
District of Columbia

James Brodsky, Co-Chair
Partner
Weiner Brodsky Sidman Kider

Kerry Donley, Vice Chair
Athletic Director
T.C. Williams High School

Conrad Egan, Secretary
Executive Director
National Housing Conference

Brian Tracey, Treasurer
Atlantic Market Executive
Bank of America

Oramenta Newsome, Loan Committee Chair
Director
D.C. Local Initiatives Support Corporation

Other Board Members

Camille Exum
Councilmember
Prince George's County

Catherine Hudgins
Member
Fairfax County Board of Supervisors

Priya Jayachandran
Vice President/Mid-Atlantic Market Executive
Citibank Community Development

Ellen Lazar
Senior Vice President
Fannie Mae Foundation

Jack Lester
Vice President of Land Acquisition and Development, Eakin Youngentob Associates

John Lesinski

Managing Director
Grubb & Ellis

Robert Peck
President
Greater Washington Board of Trade

Steve Silverman
Councilmember
Montgomery County

John Wall
Vice Chair, Loan Committee
Mid-City Financial Corporation

Joyce Woodson
Councilmember
City of Alexandria

Peggy Sand
President

National Capital Region

June 25, 2004

George W. Bush
President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20001

Dear President Bush:

First, we want to thank you for the federal support provided to the Washington Area Housing Trust Fund. The FY-2004 federal budget included \$400,000 to support the Trust Fund and in FY 2003 the fund received \$500,000.

We are writing to ask your support of \$600,000 in continued funding for the Trust Fund in the FY 2005 federal budget. Not only are we presenting a bipartisan front on this matter, we are joining the bipartisan effort demonstrated by the District of Columbia, Maryland, and Virginia congressional delegations. Our congressional representatives – both House and Senate – have indicated past and present support to their appropriations committee for this effort. They noted the need for federal government involvement as the region's largest employer and due to its tax-exempt status.

"...The salaries of federal workers have a dramatic impact on the region's economy and, therefore, on the cost of housing. The tax-exempt status of the federal government has a major impact on the amount of tax revenue generated by local governments in this region."

We support the fundamental reason for the Washington Area Housing Trust Fund. We believe that this region needs a coordinated, collective way for all of the sectors and jurisdictions to raise resources to help solve the affordable housing shortage. The need for more affordable housing in this region is borne out in study after study. The 2004 homeless enumeration report, coordinated by the Metropolitan Washington Council of Governments, found that the number of homeless in the region had risen for the fourth year in a row. On average, home prices have risen a staggering 55% over the last five years. Individual jurisdictions have experienced five-year appreciation rates as high as 174%. Clearly something needs to be done to make sure that all of our residents can find a place to call home.

President Bush
6/24/2004
Page 2

Since its inception in 2002, the Washington Area Housing Trust Fund has provided a below-market rate loan to a project in Reston, Virginia; is currently considering a loan to a District of Columbia tenant group; and is reviewing proposals from Maryland. The \$600,000 confirmed federal funding being requested for FY 2005 will be coupled with local government contributions and contributions from the foundation and corporate communities in order to seriously address the shortage of affordable housing in the Washington metropolitan area.

We look forward to your favorable consideration of this request.

Sincerely,



Anthony A. Williams
Mayor of the District of Columbia

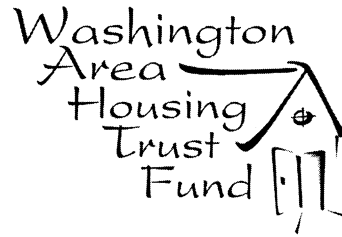


Mark R. Warner
Governor of Virginia



Robert L. Ehrlich, Jr.
Governor of Maryland

cc: The Honorable Ted Stevens, Chairman, Senate Appropriations Committee
The Honorable Robert C. Byrd, Ranking Member, Senate Appropriations Committee
The Honorable Bill Young, Chairman, House Appropriations Committee
The Honorable David R. Obey, Ranking Member, House Appropriations Committee



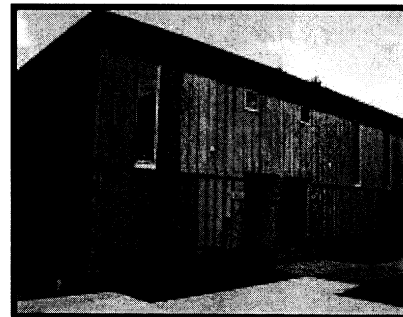
Loans Made in Northern Virginia as of December 2005

1701 Torrey Pines Court Reston, VA

The Washington Area Housing Trust Fund's first loan provided predevelopment support to the nonprofit Community Preservation and Development Corporation (CPDC) in its efforts to purchase and rehabilitate Island Walk, a 102-unit townhouse community located in Reston, Virginia. WAHTF's predevelopment loan was made in concert with two national loan funds as well as the Fairfax County Department of Housing and Community Development. This unsecured loan has been repaid.

Island Walk was originally developed in the late 1970's by the Fairfax County Redevelopment and Housing Authority as a limited-equity cooperative. The design of the buildings (plywood siding and flat roofs with no overhang – see picture) allowed the property to deteriorate significantly. Although the community is located in a very attractive neighborhood with many nearby amenities, because of the nature of the cooperative ownership structure, the residents lacked access to funds necessary to address the capital needs.

CPDC won a Request for Proposals competition with a proposal to thoroughly renovate the units without displacing any residents and to give the co-op the right to purchase the property at the end of the 15-year tax credit compliance period. CPDC worked with the co-op to develop a scope of work that would ensure that the asset would endure well past the time that the co-op would have the right to purchase it.



The work, which has been completed, includes replacement of all of the major systems. With dedicated space in the renovated community center, CPDC has partnered with

the residents of Island Walk, local officials, and corporations to bring its award-winning programs to the community. As a part of this vision, CPDC will be laying the groundwork for an electronic village and a Neighborhood Network Center at Island Walk.

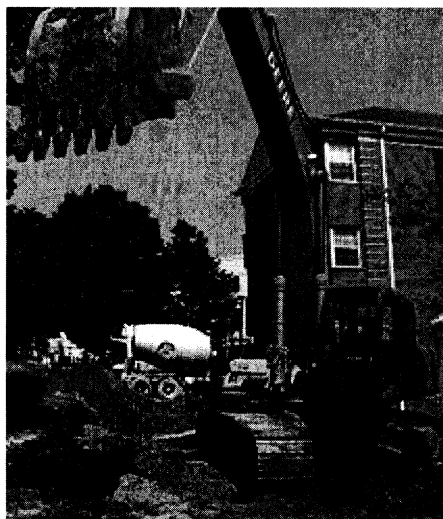
Woodbury North Arlington, VA

The Washington Area Housing Trust Fund provided a \$150,000 loan to AHC to help the project move forward while awaiting funding from the Low Income Housing Tax Credit. This unsecured loan, with a 2% interest rate, has been repaid.

AHC was incorporated in 1975 as a 501(c)(3) Virginia non-profit corporation. AHC's mission is to provide secure, sound affordable housing with supportive services. AHC provides housing rehab services, home ownership programs and acquires, develops and owns multifamily projects. To date, AHC owns more than 2,500 units and provides supportive services including after-school programs, GED classes, computer training, and wellness programs for its residents and the community.

AHC refinanced its Woodbury Park Apartment complex in March 2005 and began construction on 108 new affordable apartments on an adjoining vacant parking lot and 99 market-rate condominiums in two nine-story buildings. AHC, Inc., (AHC) through an affiliate, owns a 365-unit garden-style apartment complex called Woodbury Park. AHC acquired this family complex, which has 204 project-based section 8 units and 114 market-rate units, in 1987. The property is 97% occupied.

AHC's objective with Woodbury North is to redevelop an underutilized, 1.5 acre parking lot currently serving the existing Woodbury Park apartment complex. Woodbury Park consists of 364 units – 204 units reserved for persons with Housing Choice Vouchers or with household incomes at or below 60% of the area median income for the Washington area and 160 market rate apartments. The project is an excellent example of successful mixed-income housing.



As part of the project, AHC will build a community center and improve site amenities for the current complex. The supplemental financial support requested in this application will enable be used to fund the architecture, engineering and other project costs that AHC will incur prior to closing on the construction loan.

WAHTF's loan helped the nonprofit continue to move forward with the project while it was awaiting its Low Income Housing Tax Credit award. A new community center will serve residents of the new apartments as well as AHC's adjacent Woodbury Park Apartments.

Woodbury North Arlington, VA

WAHTF has provided the First Baptist Church was a \$150,000 loan at 2% interest. This predevelopment loan was made in partnership with two national loan funds as part of a \$750,000 predevelopment loan package. The loan is current.

With a declining congregation and mounting deferred maintenance and facility-related operating costs over the past few years, the First Baptist Church of Clarendon (FBCC) began a process in 2003 of deciding how best to continue operating. The Church enjoys a prime location in the Clarendon sector of Arlington—occupying a whole block adjacent to a metro station and within a corridor that is experiencing tremendous commercial revitalization.

Because of the Church's desire to remain rooted in the Clarendon community, and its willingness to explore new ways to serve emergent local needs, the Church has embraced a creative redevelopment concept. The decision was made in 2003 to demolish most of the existing sanctuary building, preserving the landmark steeple at the front of the site.



The redeveloped site will provide a new structure that will include a smaller sanctuary, new mixed-income apartments in the middle with underground parking and preserving the operating child care center housed in a separate building at the rear of the site.

The subject loan will help fund a planned \$36 million 116-unit new construction mixed-income apartment project on the church's site that will include new sanctuary and office space for the existing church. Since last April, the development corporation and the church have legally incorporated and the project has garnered the approval of the Arlington County Board of Commissioners.

The project will now have 70 affordable rental housing units (60% of the total) at Low-Income Housing Tax Credit rent levels and will meet green development standards that meet or exceed Green Communities Criteria.